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Joint UNCTAD/IMO Intergovernmental Group
of Experts on Maritime Liens and
Mortgages and Related Subjects
Eighth session
London, 9 October 1995
Item 3 of the provisional agenda

CONSIDERATION OF THE POSSIBLE REVIEW OF THE INTERNATIONAL CONVENTION FOR THE UNIFICATION OF CERTAIN RULES RELATING TO THE ARREST OF SEA-GOING SHIPS, 1952

Note by the secretariat of UNCTAD

Submission by the Institute of International Container Lessors (IICL) */

The attached text has been submitted by the Institute of International Container Lessors for consideration by the Joint Intergovernmental Group of Experts at its eighth session.

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Statement of IICL regarding Exercise of Arrest

IICL requests consideration of amendment of Article 3(1)(d)(ii) [in Alternative 3] to add claims against time charterers so that (ii) would read:

> The demise charterer or time charterer of the ship is personally liable for the claim and is demise charterer, time charterer or owner of the ship when the arrest is effected.

Many ships operate under time charters, and a remedy should be available against a defaulting time charterer as well as against a bareboat charterer or owner. The normal result of an arrest is a payment of the debt, and the Arrest Convention should cover these situations. If the time charterer becomes personally liable and continues to be time charterer when the arrest is effected, it is his interest in the ship which is being interrupted by arrest. Arrest is a remedy of substantially lesser severity than exercise of a lien and should correspondingly be available more easily. The remedy should be available for container suppliers when ship operators abuse the extension of credit.